

Have you Got Oil?

We now all know that BP grossly underestimated the risk of an oil spill in the Gulf of Mexico, with devastating consequences. Are big oil companies doing the same with climate change? FairPensions' current campaign is turning up the pressure on pension providers to question oil companies about their risky business.

Billions of pounds flow into oil companies through our banks, taxes and pension funds. That means our money is used to finance increasingly risky oil projects. In the past big oil delivered big returns for our pension funds but today business-as-usual looks like a distinctly risky strategy.

Beyond the immediate environmental and social impacts of deep sea drilling, tar sands and other 'frontier' oil projects, there are worrying signs that the world's major oil companies are failing to confront the challenges of climate change. For example, at BP's AGM – and in direct response to a question from FairPensions – the company's chairman justified their long-term plans with reference to an energy demand scenario which assumes no change in government policies on climate change, which experts say would result in catastrophic consequences for our climate.

Counting the Cost of Tar Sands

Earlier this year, FairPensions co-ordinated shareholder resolutions at BP and Shell, asking both companies to reveal the environmental and financial risks of their controversial tar sands projects.

Thanks to thousands of our supporters taking action, 1 in 10 Shell shareholders refused to heed the company's recommendation to vote against the resolution, just weeks after 1 in 7 investors in BP (controlling £10 billion in the company's stock) also refused to back management on tar sands – an exceptional result.

BP's plans and those of several other oil majors are a threat to us. Already our campaign to urge their big investors to get a grip is gaining momentum, with several committing to use future meetings with oil companies to demand more socially responsible and financially prudent business plans. Further pressure is essential and it's not too late for you to add your voice.



Act on Oil

If you've got oil in your pension, you're not alone. If you haven't yet joined the campaign, please take action at fairpensions.org.uk/gotoil



The people who manage our money were forced to sit up and take notice. Fund managers are now asking much more searching questions of BP and Shell. Both companies rushed to meet with investors following the filing of the resolutions and made important disclosures as a result. One such disclosure was the shock revelation that BP is seemingly banking on catastrophic climate change – and we're now shining a spotlight on this risky strategy with our new Got Oil? campaign.



NEWS IN BRIEF

Coming Soon... New Campaign

A major new FairPensions campaign is currently in development with the aim of tackling exploitative pay and working conditions of people in the supply chain of the UK's largest companies. Full details about this exciting new project will be unveiled early in 2011. One thing is already certain: we're going to need strong public support and action next year if we want to make a difference to the lives of vulnerable workers. With your help, we know it's possible.

As usual, we're aiming to influence investors worth billions of pounds to bring real improvements to people's lives. Please consider making a donation to support our campaigns, using the enclosed form or at fairpensions.org.uk/donate

Surveying Supporters

Thanks to those of you who took part in FairPensions supporter survey over the summer. High levels of participation in the survey have helped us to understand exactly what issues you care most about and what you think of the work we've done over the last year.

"FairPensions is a very brave movement. One that challenges the idea of hidden funding, but shows ordinary people where their money is used. Or abused!"

~ Viv (supporter)

Responsible Investment News

Cost of Environmental Damage

A new report from the United Nations Principles for Responsible Investment (UNPRI) reveals the true financial costs of environmental damage in 2008: US\$6.6 trillion. The report, *Universal Ownership: Why environmental externalities matter to institutional investors*, highlights the role institutional investors can play in influencing business to reduce environmental harms while protecting their investments. unpri.org

Investors Lead on Supply Chain Transparency

The Christian Brothers Investment Services and the Interfaith Center on Corporate Responsibility are leading a successful campaign supporting the California Transparency in Supply Chain Act. Signed into law in October, the Act requires all manufactures and retailers operating in California to disclose how they are eradicating slavery and human trafficking within their supply chain. iccr.org

Impact of Shareholder Activism

Pioneering US foundation, the Nathan Cummings Foundation, has published a report on its use of proxy voting, shareholder resolutions and various other forms of shareholder engagement to make a positive impact using its investments. Since 2004, it has filed 42 climate change proposals with 19 different companies and in 2008 it began filing resolutions on executive pay. nathancummings.net

Vedanta Update

Vedanta, a FTSE 100 mining company, has seen the financial impact of human rights and environmental concerns. After the Indian government stopped the development of a controversial mine on sacred land in August and blocked a copper smelter over environmental concerns in September, Vedanta saw their stock price drop 5 percent.

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After the crash: RI under the coalition government

In the aftermath of the financial crisis, it's clearer than ever that we won't get responsible and accountable financial markets without government regulation. And with a new government in place, now is a crucial time to make sure Responsible Investment is part of the policy response to the crash.

Since the election, FairPensions has been working hard to put RI firmly on the coalition government's agenda. We've met with ministers, officials and backbench MPs, and have been actively present at all three major party conferences. We aim to secure government support for RI at all levels of the investment chain.

Our research shows that most pension funds now claim to take environmental and social issues into account, but far fewer are doing anything in practice. And - as we saw during the tar sands campaign - many are highly resistant to being asked what they're doing by members. We're pressing the government to help you hold your pension fund to account for its actions.

Investment managers – entrusted by pension funds with decisions about your money – also need to be held accountable. The Financial Reporting Council (FRC) recently published a 'Stewardship Code' on their responsibilities as share-owners, but it was disappointingly weak. We're urging the FRC to strengthen the Code, and asking central government to take a lead.

If we want investors to act on environmental and social issues, we need to ensure that companies report in a way investors can use. The Coalition Agreement contains a commitment to improve environmental and social reporting, and we're working with like-minded organisations to hold them to their promises.

We're also leading the intellectual debate with our seminar series on fiduciary duty, in partnership with the Cass Business School. We'll be publishing a full report with policy recommendations in spring 2011. For more information on this please visit: fairpensions.org.uk/POBI

Is your pension in Deepwater?

Following BP's disastrous oil spill in April – which saw the company cancel its dividend for the first time since World War II – FairPensions launched its first ever campaign targeting a government minister.

1,500 of you emailed pensions minister Steve Webb, asking him for the right to know what your pension fund is doing to manage environmental and social risks. Many of you also persuaded your MP to sign an Early Day Motion (a parliamentary petition) in support of the campaign. The issue was even raised in the House of Lords.

Your helpful actions have forced the government to take notice – but the battle isn't won yet. Steve Webb's formal response rejected the need for stronger disclosure requirements on pension funds; we have written back making the case for change. Since then, we've raised your concerns with him personally at the Liberal Democrats' party conference.

We will keep pressing the government for action on your behalf: stay updated on our progress at fairpensions.org.uk/oilspill



New member

We've been working closely with Greenpeace on the Tar Sands: Counting the Cost and the Got Oil? campaigns, and are pleased to welcome them as a new member. Greenpeace stands for positive change through action, seeking to investigate, expose and confront environmental abuse by governments and corporations around the world.

GREENPEACE

"We are delighted to be involved with FairPensions and your considered, strategic engagement with companies and shareholders."

About FairPensions

FairPensions runs the campaign for Responsible Investment, highlighting business practices that are negligent or harmful to people or the environment, and catalysing action to change them. We believe that pension providers should take the trouble to watch what companies are getting up to around the world and listen to the views of members - it's your money after all. Where malpractice is identified, you'll want to know that action to stop it will be taken.